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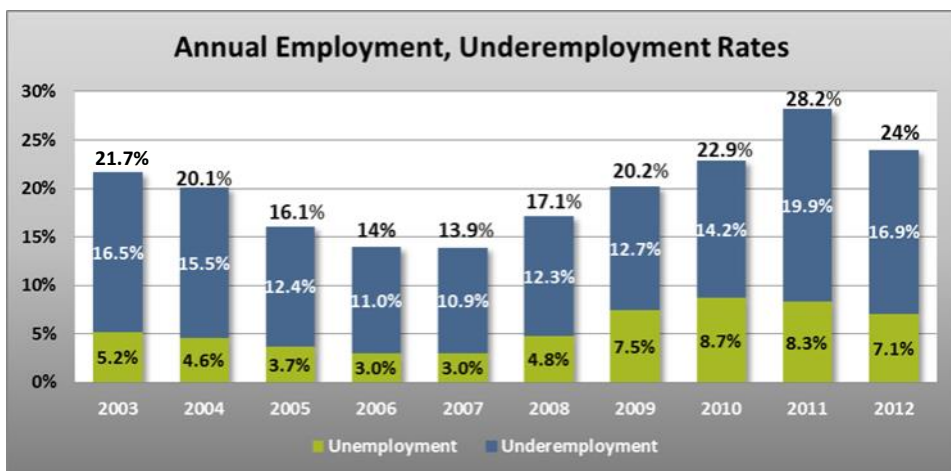
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IDAHO'S UNDEREMPLOYMENT DECLINES FOR FIRST TIME SINCE 2007

Idaho's slowly improving economy has not only reduced the official unemployment, but for the first time since the recession began in 2007 it has reduced the state's rate of underemployment.

Over 20,000 workers who were underemployed found better work between 2011 and 2012 to drive the state's underemployment rate down three percentage points to just under 17 percent. The decline of more than a full percentage point in the official unemployment rate of 7.1 percent in 2012 brought the combined rate down to 24 percent from a peak of over 28 percent in 2011.



Underemployment is not a hard and fast statistic. It is based on a number of assumptions and does not attempt to measure holiday or seasonal workers.

These underemployment statistics, compiled by Principal Research Analyst John Panter, come from two categories:

- Employed workers who are working part-time or temporary jobs but want full-time work based on the ratio of part-time and temporary jobs listed with the 25 local Labor Department offices.
- Workers who have associate degrees or higher and are currently employed but have filed with a local office to find another job.

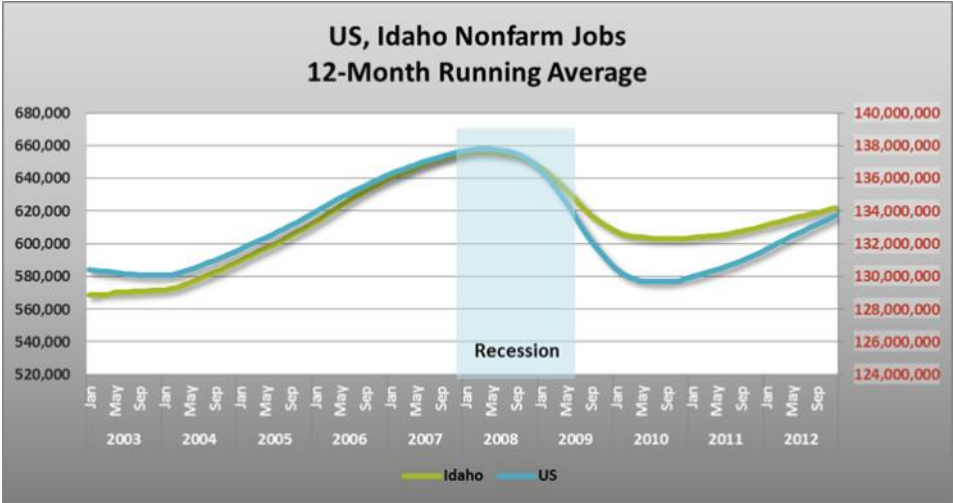
The underemployment rates also assume that the job listings and employment applications filed with the local Labor offices are numerous enough to represent current labor market conditions.

After declining as the economy grew itself out of the 2001 recession, underemployment bottomed out at 10.9 percent in 2007 as Idaho’s expansion peaked and isolated employment shortages were reported.

But the rate – the equivalent of about 7,000 to 8,000 people per percentage point depending on labor market activity – steadily climbed during the recession, almost doubling to nearly 20 percent in 2011 while the unemployment rate nearly tripled to over 8 percent. Job creation throughout the state was extremely slow during the first two years following the official end of the recession, and the new jobs being created were primarily in the service sector while more than half the jobs the state lost during the downturn were in goods production.

The result was many workers laid off from construction or manufacturing jobs were going back to work in the service sector, where pay averages about \$10,000 a year – almost \$200 a week – less than the goods production jobs they had. Even though they were again employed, many looked for better jobs offering the kind of compensation, responsibility or challenge they believed their skills warranted.

Finally the recovery picked up in 2012 with job growth exceeding 1 percent above the previous year. That was amplified by Idaho’s labor force essentially stagnating during the year. After going from 748,000 in December 2009 to 758,000 in December 2010 to 768,000 in December 2011, the labor force stood at just 771,000 in December 2012. The modest growth with only a fractional increase in the competition for jobs offered tens of thousands of workers employment if they had none, full-time work to replace part-time jobs or better jobs than the ones they had.



The number of listings with the department’s local offices for full-time jobs rose 4 percent in 2012 while the number of part-time or temporary workers still looking for jobs dropped 3 percent. In addition the number of employed people with associate degrees or higher who were still looking for new jobs dropped 7 percent.

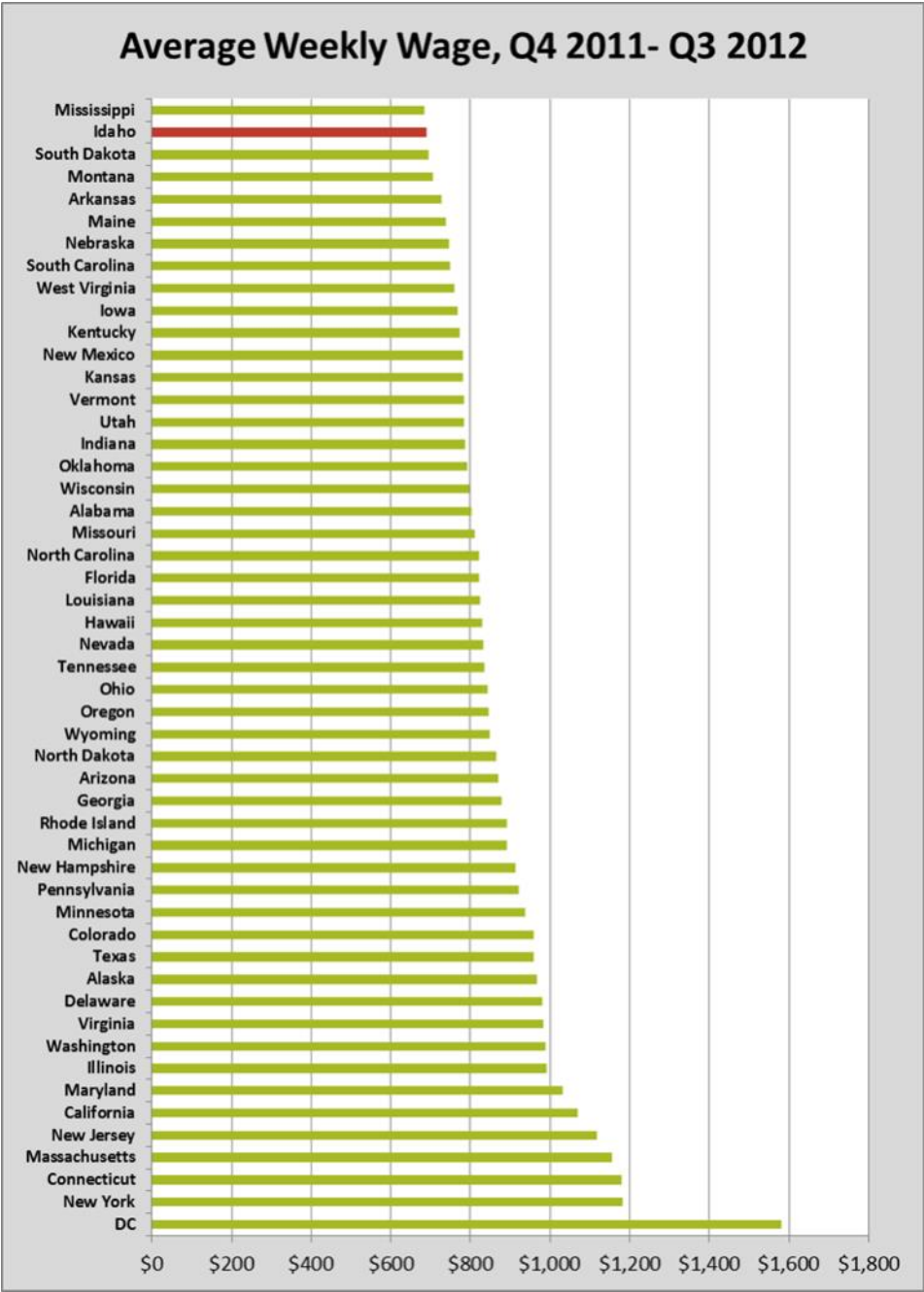
Even with those gains, however, underemployment across Idaho remained at its second highest level of the past decade. Compensation is one of the key factors in determining underemployment, either in the case of involuntary part-time workers or those who took pay cuts after layoffs just to maintain a regular paycheck.

During the 12 months that ended in September 2012, the average weekly wage in Idaho was \$691.04 for jobs covered by the unemployment insurance system – over 90 percent of all Idaho jobs. That ranked 49th among the states, ahead of only Mississippi, according to the U.S. Bureau of Labor Statistics.

In 2006 when the underemployment rate was down to 11 percent, Idaho’s average wage was \$626.32, ranking 45th among the states, according to the federal figures. Although still low, Idaho workers were faring somewhat better compared to the other states.

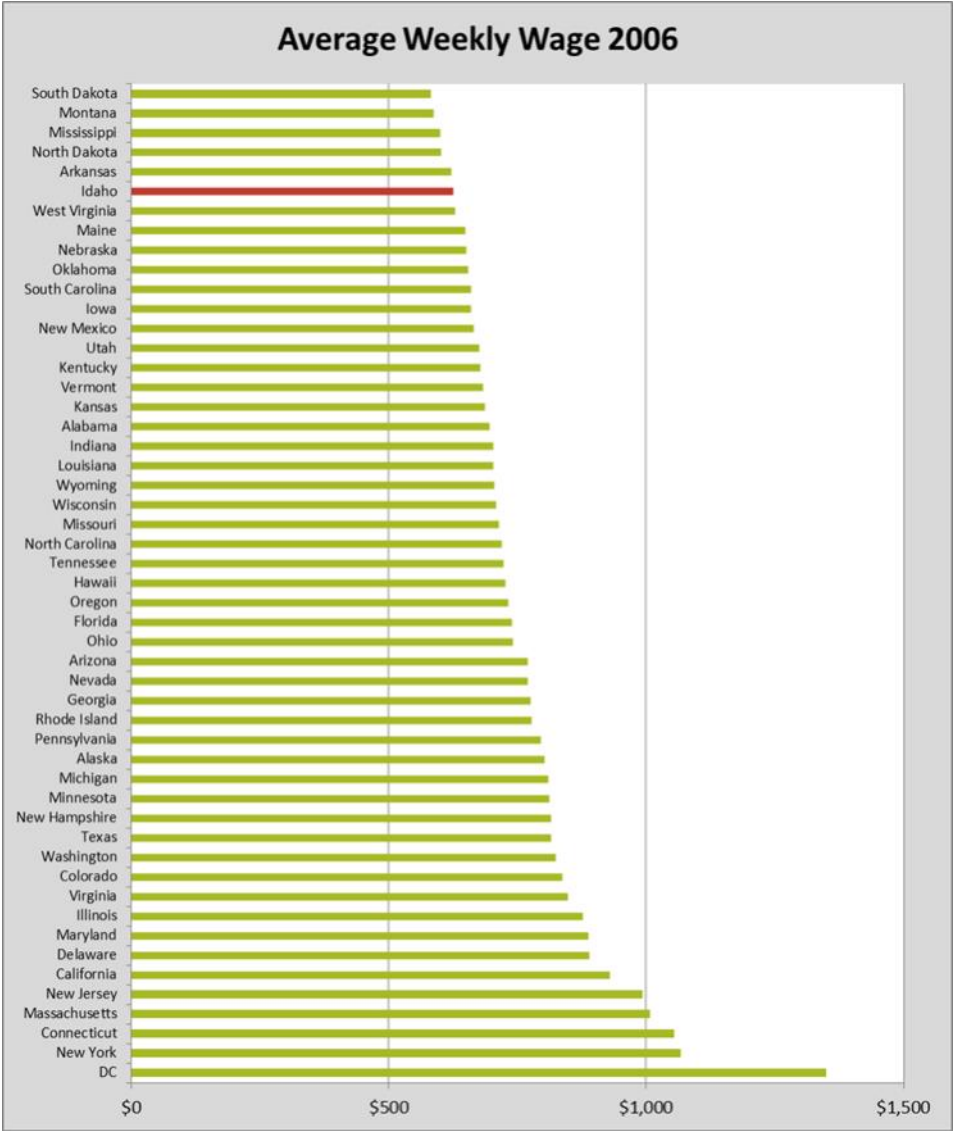
Idaho also continues to have one of the nation’s highest multiple-job-holder rates, although the 2012 estimate will not be released until later this year.

Where unemployment was comparatively low – south central, southeastern and eastern Idaho – the underemployment rate rose significantly higher as workers avoided total unemployment by shifting to part-time or lower-



level jobs.

Northern Idaho, where the resourced-based economy is highly seasonal, was the only region that saw underemployment rise in 2012. People working



part time but looking for full-time jobs rose 12 percent in 2012 while the number of lists with the five local offices in northern Idaho for full-time jobs was essentially flat.

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See accompanying tables on pages 5-6.

Regional Unemployment, Underemployment Rates

	2007		2008		2009		2010		2011		2012	
Region	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate
Statewide	3.0%	10.9%	4.8%	12.3%	7.5%	12.7%	8.7%	14.2%	8.3%	19.9%	7.1%	16.9%
Northern	3.6%	9.2%	6.0%	11.2%	9.2%	11.3%	11.2%	14.7%	10.6%	19.9%	9.1%	23.1%
North Central	3.4%	10.6%	5.0%	10.8%	6.8%	13.3%	8.1%	14.0%	7.9%	19.3%	7.1%	14.6%
Southwestern	3.0%	11.5%	5.1%	13.6%	8.2%	13.4%	9.2%	11.7%	8.6%	18.2%	7.1%	13.8%
South Central	2.7%	12.4%	3.8%	12.8%	6.0%	12.8%	8.0%	20.8%	7.5%	20.4%	6.3%	17.2%
Southeastern	2.7%	11.3%	4.0%	12.3%	6.0%	8.8%	7.4%	14.1%	7.2%	20.9%	6.4%	19.1%
Eastern	2.3%	10.0%	3.5%	9.4%	5.6%	14.1%	6.9%	18.3%	6.9%	24.6%	6.1%	21.4%

Source: Idaho Department of Labor

UE = Unemployment; UnderE = Underemployment

Unemployment, Underemployment Rates by County

	2007		2008		2009		2010		2011		2012	
	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate	UE Rate	UnderE Rate
Statewide	3.0%	10.9%	4.8%	12.3%	7.5%	12.7%	8.7%	14.2%	8.3%	19.9%	7.1%	16.9%
Ada	2.6%	10.1%	4.5%	14.3%	7.5%	11.9%	8.4%	11.0%	7.6%	18.6%	6.3%	11.5%
Adams	5.5%	13.6%	10.0%	27.1%	14.0%	4.4%	16.5%	3.0%	16.8%	11.7%	13.9%	13.4%
Bannock	2.9%	8.5%	4.4%	6.9%	6.6%	10.5%	7.9%	13.1%	7.7%	15.5%	7.0%	20.1%
Bear Lake	2.2%	0.2%	3.1%	0.2%	5.0%	0.2%	6.2%	0.5%	5.2%	0.4%	4.7%	40.0%
Benewah	5.9%	14.5%	9.4%	8.6%	12.8%	10.8%	13.2%	4.1%	13.1%	8.2%	11.9%	11.8%
Bingham	2.6%	16.4%	3.7%	21.1%	5.5%	6.4%	7.0%	19.5%	6.9%	28.2%	6.1%	20.1%
Blaine	2.3%	12.9%	3.6%	17.2%	7.1%	13.1%	8.9%	17.1%	8.3%	58.0%	6.6%	45.0%
Boise	3.3%	5.3%	5.6%	18.4%	7.6%	69.1%	9.7%	10.8%	9.2%	81.9%	8.6%	58.9%
Bonner	3.7%	9.9%	6.2%	11.1%	9.4%	12.3%	12.1%	20.8%	11.8%	16.9%	9.9%	19.2%
Bonneville	2.1%	7.2%	3.3%	5.8%	5.4%	11.3%	6.6%	16.8%	6.7%	13.9%	6.0%	13.9%
Boundary	6.0%	30.6%	8.3%	16.3%	11.6%	21.5%	14.7%	32.8%	12.7%	19.0%	10.0%	23.7%
Butte	2.4%	0.5%	4.0%	0.3%	4.8%	12.9%	6.2%	0.1%	6.9%	0.1%	7.2%	30.0%
Camas	2.5%	0.3%	4.2%	0.3%	8.9%	0.5%	11.3%	0.8%	10.5%	1.3%	8.9%	9.4%
Canyon	3.6%	13.8%	6.0%	11.9%	9.6%	22.4%	10.7%	15.9%	10.3%	13.8%	8.3%	21.2%
Caribou	2.8%	12.1%	3.4%	12.4%	5.6%	0.8%	7.6%	1.8%	7.2%	4.8%	5.8%	12.7%
Cassia	3.1%	8.6%	3.7%	11.8%	5.0%	6.8%	6.8%	12.9%	6.4%	24.0%	5.5%	32.5%
Clark	2.2%	8.5%	3.2%	0.2%	5.1%	0.2%	8.5%	0.4%	8.0%	0.2%	6.6%	23.1%
Clearwater	7.2%	14.1%	10.3%	9.6%	12.7%	30.3%	15.0%	27.4%	14.3%	18.0%	13.0%	20.8%
Custer	3.3%	9.7%	4.3%	10.3%	5.2%	26.1%	7.1%	7.4%	7.0%	21.0%	7.1%	13.9%
Elmore	3.8%	12.5%	5.3%	7.0%	7.2%	3.9%	8.5%	5.5%	8.3%	9.7%	7.5%	15.2%
Franklin	2.1%	5.2%	3.1%	0.3%	4.6%	0.5%	5.4%	0.3%	5.6%	0.4%	4.5%	7.9%
Fremont	3.1%	30.4%	4.7%	17.1%	7.5%	30.4%	9.2%	29.2%	7.9%	20.7%	6.5%	21.2%
Gem	3.7%	10.8%	6.6%	7.5%	9.9%	7.4%	11.1%	11.0%	11.0%	17.4%	9.1%	17.9%
Gooding	2.1%	10.0%	3.2%	0.4%	5.3%	19.5%	6.9%	7.5%	6.2%	8.8%	5.1%	3.9%
Idaho	4.9%	10.6%	7.1%	12.7%	9.4%	15.2%	10.9%	8.6%	10.9%	15.7%	9.3%	17.2%
Jefferson	2.4%	13.4%	3.6%	12.5%	5.9%	9.2%	7.3%	11.4%	6.9%	34.8%	6.0%	25.4%
Jerome	2.8%	6.0%	4.0%	7.8%	6.0%	3.7%	8.1%	8.8%	7.5%	19.4%	6.4%	13.0%
Kootenai	3.2%	5.4%	5.4%	9.9%	8.6%	9.9%	10.4%	9.9%	9.8%	22.7%	8.4%	26.0%
Latah	2.7%	8.2%	3.9%	7.3%	5.7%	10.0%	7.2%	10.2%	7.0%	14.3%	6.4%	14.0%
Lamhi	4.4%	27.7%	6.4%	29.4%	7.6%	24.4%	9.9%	32.6%	10.3%	32.9%	9.9%	37.1%
Lewis	2.5%	9.1%	3.6%	4.0%	5.1%	6.1%	6.0%	8.3%	6.0%	23.1%	5.8%	11.0%
Lincoln	3.3%	4.6%	5.3%	0.7%	10.2%	4.1%	13.0%	58.1%	11.9%	9.9%	9.1%	2.3%
Madison	2.1%	9.6%	3.3%	10.1%	5.1%	18.3%	5.8%	23.9%	6.3%	52.0%	5.5%	41.3%
Minidoka	3.8%	35.0%	4.3%	37.1%	5.7%	27.4%	7.5%	57.2%	6.9%	24.7%	6.1%	19.3%
Nez Perce	2.9%	12.3%	4.3%	15.9%	5.7%	12.5%	6.9%	15.9%	6.6%	26.7%	5.9%	13.7%
Oneida	1.7%	0.4%	3.3%	0.4%	5.3%	0.7%	5.0%	12.9%	4.9%	25.3%	4.1%	40.0%
Owyhee	1.9%	8.8%	2.9%	0.5%	3.7%	0.6%	4.8%	17.3%	4.9%	23.7%	4.7%	16.8%
Payette	4.1%	26.8%	5.6%	10.8%	8.4%	10.2%	9.2%	18.6%	9.1%	26.7%	8.0%	27.6%
Power	3.8%	5.6%	5.0%	11.1%	6.9%	4.8%	9.3%	14.2%	8.8%	55.9%	8.0%	13.5%
Shoshone	5.1%	6.6%	7.8%	6.4%	12.1%	4.6%	14.3%	25.9%	13.2%	21.3%	11.6%	12.7%
Teton	1.6%	2.2%	2.7%	5.8%	5.9%	1.1%	7.3%	7.8%	6.6%	29.0%	5.7%	24.8%
Twin Falls	2.7%	9.2%	3.8%	8.4%	5.9%	12.1%	8.1%	14.4%	7.7%	11.7%	6.6%	12.0%
Valley	4.0%	17.4%	8.4%	15.3%	12.3%	27.4%	15.8%	28.2%	14.6%	32.3%	11.4%	22.5%
Washington	4.0%	14.0%	5.4%	7.5%	8.4%	11.3%	10.0%	12.0%	9.7%	5.2%	8.4%	2.9%

Source: Idaho Department of Labor

UE = Unemployment; UnderE = Underemployment

Combined Unemployment, Underemployment Rate				
	2011	Rank	2012	Rank
Statewide	28.2%	—	24.0%	—
Ada	26.2%	28	17.8%	39
Adams	28.6%	22	27.3%	20
Bannock	23.1%	30	27.1%	21
Bear Lake	5.6%	44	44.7%	5
Benewah	21.2%	33	23.7%	27
Bingham	35.1%	10	26.2%	24
Blaine	66.3%	2	51.6%	2
Boise	91.1%	1	67.5%	1
Bonner	28.7%	20	29.1%	18
Bonneville	20.6%	34	19.9%	33
Boundary	31.7%	15	33.7%	13
Butte	7.0%	42	37.2%	8
Camas	11.8%	40	18.3%	38
Canyon	24.1%	29	29.5%	17
Caribou	11.9%	39	18.5%	37
Cassia	30.4%	17	38.0%	7
Clark	8.1%	41	29.7%	16
Clearwater	32.3%	14	33.8%	12
Custer	28.0%	25	21.0%	31
Elmore	18.0%	36	22.7%	28
Franklin	6.0%	43	12.4%	41
Fremont	28.5%	23	27.7%	19
Gem	28.4%	24	27.0%	22
Gooding	15.0%	37	9.0%	44
Idaho	26.6%	27	26.5%	23
Jefferson	41.7%	7	31.4%	14
Jerome	26.8%	26	19.4%	35
Kootenai	32.5%	13	34.4%	10
Latah	21.3%	32	20.4%	32
Lemhi	43.2%	6	47.0%	3
Lewis	29.1%	19	16.8%	40
Lincoln	21.8%	31	11.4%	42
Madison	58.3%	4	46.8%	4
Minidoka	31.6%	16	25.4%	25
Nez Perce	33.3%	12	19.6%	34
Oneida	30.2%	18	44.1%	6
Owyhee	28.6%	21	21.5%	30
Payette	35.7%	8	35.6%	9
Power	64.7%	3	21.5%	29
Shoshone	34.5%	11	24.3%	26
Teton	35.6%	9	30.5%	15
Twin Falls	19.4%	35	18.6%	36
Valley	46.9%	5	33.9%	11
Washington	14.9%	38	11.3%	43